(c) the details of efforts made to avert recurrence of such incidents in future?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI S. REGUPATHY): (a) to (c) The Tsunami alert message was issued by the Ministry of Home Affairs, as a measure of abundant caution, in the forenoon of 30th December, 2004 on receipt of a message from the India Meteorological Department (IMD) suggesting the possibility of occurrence of another Tsunami in the Indian Ocean in the afternoon of 30th December, 2004. A de-warning message was issued after IMD subsequently reported that no earthquake of large (>7.5) magnitude had occurred in the following 12 hours and that they were constantly monitoring the seismic activity. The Tsunami alert did create Some panic in the back drop of the devastating Tsunami experience of 26th December, 2004.

The Government of India have decided to set up an Early Warning System for Tsunamis and Storm surges in the Indian Ocean. The System is expected to be functional in next two and half years and will help in providing more reliable advance warning of Tsunamis and Storm surges.

G-20 Meeting

*392. SHRI S. ANBALAGAN:
SHRIMATI N.P. DURGA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the agenda for the meeting of G-20 countries held recently in New Delhi;

(b) the outcome of the meeting; and

(c) the issues put forth by India in the meeting and the response of the other countries thereto?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) The objectives of the G-20 meeting held in New Delhi from 17-19 March, 2005 were, *inter alia*, to assess the status of the on-going negotiations on the Agreement on Agriculture of the World Trade Organisation (WTO) and to develop the common position and approach of the G-20 alliance on the various issues of interest and concern. The meeting also intended to consolidate the G-20 Alliance and to establish an important

outreach to other developing country groupings such as LDCs, Africa Group, Caribbean Group, etc. in order to advance developmental objectives in the negotiations.

(b) and (c) India emphasised that export subsidies must be removed and all forms of distortions in agricultural products caused by high levels of support and protection provided to their agriculture by developed countries must be substantially reduced, while ensuring that developing countries are able to address their rural development, livelihood and food security concerns through appropriate instruments and measures. The outcome of the meeting was the adoption of the G-20 Ministerial Declaration, a copy of which is given in the Statement. (*See* below).

The outcome of the Meeting is consistent with the position of India in the negotiations.

Statement

G-20 MINISTERIAL DECLARATION
New Delhi, 19 March 2005

1. G-20[1] Ministers at their meeting in New Delhi on 18-19 March 2005 recalled that the Group's identity is deeply linked to the development dimension of the Doha Round. Agriculture is vital for all developing countries and is central to the Doha Development Agenda. Our common goal is to put an end to trade-distorting policies in agriculture maintained by developed countries thus, contributing to growth and development of developing countries and their positive integration into the world trading system. This would be a major contribution to the development objectives of the Round.

Road to Sixth Ministerial Conference

2. Ministers recalled the crucial role played by the Group during the negotiating process in the lead up to the 'July Framework' in 2004, and stressed that the G-20 will continue to participate actively and constructively in the negotiations.

3. Ministers reaffirmed their commitment to advance to the Doha Round

[1]Argentina, Brazil, Bolivia, Chile, China, Cuba, Egypt, Guatemal, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela and Zimbabwe.

of trade negotiations in 2005 with a view to arriving at an agreement on modalities during the Sixth WTO Ministerial Conference to be held in Hong Kong, China in December 2005. This is a necessary step in order to complete the negotiations by 2006. Such modalities must be compatible with the July framework and in line with the mandate contained in the Doha Declaration.

4. Ministers stressed that agriculture negotiations have multiple dimensions and are technically complex. These negotiations should be intensified to stimulate progress in all other areas of negotiations. They highlighted that the G-20 is committed to a balanced first approximation of the modalities by July 2005, which should be sufficiently detailed to achieve the objective of full modalities by the Sixth Ministerial Conference.

Negotiation Process

5. In view of the specific nature of issues under discussion and the need for technical support from experts, Ministers underlined that a "bottom-up" approach is required so that texts will evolve from a participative negotiating process. This is an essential element for securing a legitimate outcome to these negotiations to the benefit of the whole Membership. Ministers acknowledged that the Geneva process may need to be supported by other forms of engagement provided they are conducted in a transparent and inclusive manner. Such interventions, including through Ministerial involvement, should be timely, well-prepared and should take up issues which are ripe enough for political decision.

Negotiations on agriculture—substantive issues

6. It was noted that negotiations under the Special Session of the Committee on Agriculture are under way. The Chairman's negotiating process presently provides an adequate balance between identification of issues, scoping and drafting of documents while ensuring transparency, inclusiveness and efficiency in the work. Ministers stressed that the assessment of the progress of work to be undertaken by July 2005 will constitute an important mile post for defining the scope and perspectives of the Ministerial Meeting.

7. Ministers reiterated that special and differential treatment for

developing countries is an integral part of all elements of the negotiations.

8. Ministers recalled the statement made by the G-20 during the December 2004 Special Session of the Committee on Agriculture on the need to observe necessary sequencing of issues identified in the 'July Framework' so as to ensure progress in each of the three pillars.

Cotton

9. Ministers underlined the importance of cotton for many WTO members, particularly the African countries that are cotton producers. In this regard, Ministers reiterated the urgent need to address this issue in accordance with the 'July Framework'. Miniters requested that work in the Sub-Committee on Cotton be expedited so that effective measures are included in the July 2005 first approximation. They stressed the need to provide urgent development assistance in view of the recent aggravation of the decline in the international cotton prices.

10. Ministers expressed satisfaction with the recent Appellate Body decision on cotton which substantiates the need for urgent reform of trade distorting measures in agricultural trade which have such a negative impact on developing countries.

Domestic support

11. Ministers stressed that, in order to fulfil the mandate of "substantial reductions in trade-distorting domestic support" negotiations should determine based periods and initial and final numbers for the overall trade-distorting domestic support in a technically consistent and politically credible manner. It was noted that significant reductions will be required to address inflated baselines and to arrive at effective reductions that address the need for removing distortings in agriculture trade. Moreover, such reductions should be necessarily complemented by further disciplines in the Blue Box and the Green Box in order to avoid mere box shifting.

12. Ministers reiterated that any change in the Blue Box (Article 6.5 of the Agreement on Agriculture) is contingent upon agreement on additional criteria in order to make it substantially less trade-distorting than it is now. They also stressed the Group's active participation in

the review and clarification process of the Green Gox in order to ensure that no, or at most minimal, trade-distorting effects or effects on production will be generated by any direct payments claimed to be exempt from reduction commitments. It was highlighted that such policies in developed countries must fully comply with the criteria set out in paragraph 1 of Annex 2 of the Agreement on Agriculture.

13. Ministers stressed that Green Box should be reviewed and clarified to include specific provisions designed to accommodate genuine agriculture and rural development programmes of developing countries aimed at alleviating poverty, promoting agrarian reform and settlement policies, and ensuring food security and addressing livelihood security, needs. Further, for facilitating implementation of Green Box measures in developing countries, their special circumstances would also need to be taken into account.

14. Given that *de minimis* support is the only form of support available to farmers in most developing countries Ministers cautioned against any attempt to reduce *de minimis* support in developing countries as this would negatively affect the programmes benefiting subsistence and resource poor farmers. Ministers noted that the amounts of support in developing countries are insignificant when compared to those in developed countries and, therefore, should not be subject to reductions.

Export competition

15. Ministers noted with concern the recent reintroduction of export subsidies by some Members, which goes against the spirit of the Doha mandate. They therefore called for an immediate standstill commitment on all forms of export subsidies.

16. Ministers expressed that in the export competition pillar, a key decision to be taken is the date of elimination of all forms of export subsidies. They urged countries that apply such instruments to eliminate them in a period no longer than five years and with a front-loading of commitments. An early agreement would inject new momentum to the agriculture negotiations and made progress easier in other fronts. The stressed the need to develop new disciplines on export credits, export credit guarantees and insurance programmes

and food aid so that these instruments are not used in a way as to displace exports or to promote surplus disposal.

17. Ministers also recalled the need for making operative the 'July Framework' provisions for special and differential treatment including State Trading Enterprises and the concerns of Net Food Importing Developing Countries (NFIDCs) as provided in the Marrakesh Decision.

Market access

18. Ministers noted the crucial importance of conversion into *ad valorem* equivalents (AVEs) for the completion of the core modality—tariff reduction formula. Ministers stressed that treatment of non-*ad valorem* (NAVs) duties should clearly spell out the methodologies used for conversion so that the verification process does not become cumbersome. While cautioning against attempts at hiding the true level of protection in this exercise and stressing the non-negotiable nature of this issue, Ministers stressed the need to finally bind all NAV into *ad valorem* terms.

19. Ministers reaffirmed the long held view of the G-20 that the tariff reduction formula is the main component of the market access pillar and should be negotiated before addressing the issue of flexibilities. In this regard, they underlined that the Tariff reduction formula must contain: (i) progressivity—deeper cuts to higher bound tariffs (ii) proportionality—developing countries making lesser reduction commitments than developed countries and neutrality in respect of tariff structures; and (iii) flexibility—to take account of the sensitive nature of some products without undermining the overall objective of the reduction formula and ensuring substantial improvement in market access for all products.

20. Ministers strongly stressed that special and differential treatment for developing countries must constitute an integral part of all elements with a view to preserving food security, rural development and livelihood concerns of millions of people that depend on the agriculture sector.

21. Ministers emphasized that the concepts of Special Products and Special Safeguard Mechanism are integral elements of special and differential treatment for developing countries. Ministers reiterated

their commitment to work together with the G-33 and other interested Groups to render effective and operationalise these instruments.

22. Ministers stressed that the elimination of tariff excalation is important for developing countries, as it would allow them to diversify and increase their export revenues by adding value to their agriculture production.

23. Ministers reiterated that SSG (Article 5 of the AoA) was conceived as a trasitory exception and therefore should be eliminated.

24. Ministers recalled that modalities for fullest liberalization of tropical products by developed countries are long overdue commitments, which remain to be addressed and honoured.

25. Ministers noted with concern the increasing use of Non-Tariff Barriers by developed countries, which are acting as impediments to exports of products of interest to developing countries.

26. Ministers recognised that preferences, which are of importance to many developing countries, are being eroded by both regional and multilateral liberalisation. Ministers agreed that preference erosion should be addressed in the negotiations, in accordance with the provisions of the 'July Framework', and requires mainstreaming the development dimension in the multilateral trading system through (i) expanded market access for products which are of vital export importance to the preference beneficiaries; (ii) effective utilisation of existing preferences and (iii) additional financial assistance and capacity building to address supply constraints, promote diversification and assist in adjustment and restructuring.

Related issues

27. Recognising the special needs of Least Developed Countries, Ministers highlighted their support for provisions exempting them from any reduction commitments and for steps to be taken to promote the export capacities, including the need to address the supply constraints of LDCs. Ministers stressed that it should be ensured that LDCs make meaningful gains in each of the three pillars.

28. Without creating any new categories of developing countries, Ministers agreed that the concerns of small, vulnerable economies

must also be effectively addressed as part of the Work Programme mandated in paragraph 35 of the Doha Ministerial Declaration.

29. Ministers stressed that concerns of Recently Acceded Members must be effectively addressed through specific flexibilities provisions in all pillars.

30. Ministers noted that disciplines on export prohibitions and restructions in Article 12 : 1 of the AoA will be strengthened. These negotiations must ensure that these rules are not circumvented, nor applied to developing countries in a discriminatory manner.

31. With regard to each of the issues mentioned in paragraph 49 of the 'July Framework', Ministers reaffirmed that there was no agreement to include them in the negotiations.

32. Ministers reaffirmed the importance of enhancing the monitoring and surveillance mechanisms as a fundamental improvement to be introduced in these negotiations.

Strengthening dialogue

33. Ministers emphasized that the G-20 is actively engaged in an intense dialogue with other Groups and individual Members. In this regard, G-20 Ministers welcomed the invitation to the Coordinators of the Africa Group, ACP Countries, CARICOM, G-33 and LDCs to the Meeting. Ministers strongly believe that such coordination will contribute significantly towards realising the development dimension of the Doha Work Programme. In this regard, Ministers cautioned against any move that would create divisions among developing countries, including through further categorisation.

34. Ministers resolved to stay in close contact with each other to take stock of important developments with a view to taking coordinated and timely action in the negotiations. They further agreed that G-20 Ministers participating in other events would take these opportunities to meet among themselves at the margins of such meetings and keep their colleagues informed of the deliberations.

35. Ministers exchanged views on other negotiating issues in the Doha Work Programme in light of the inter-linkages inherent in the single undertaking.

36. Ministers thanked the Government of India for the efforts deployed to organise this Meeting and for the warm hospitality of the Indian people.

Sick state of handicraft industry

*393. SHRI N.R. GOVINDRAJAR: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that handicraft industry is constantly becoming sick due to its unorganized set up under Textiles Ministry;

(b) if so, the details thereof; and

(c) the reasons for sickness of handicraft industry and the concrete steps taken by the Government to organize this industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) No, Sir. The progress made by the handicrafts sector can be seen from the increasing trend of exports of handicrafts and hand-knotted carpets since 2001-02, which is as under:

(Rs. in crores)

Sl.No.	Year	Exports	% Growth in export
1.	2001-2002	9205.63	—
2.	2002-2003	10933.67	+18.77
3.	2003-2004	12765.18	+16.75
4.	2004-2005	15255.90	+19.51

(b) and (c) Do not arise.

Disapproval of WTO of subsidies to domestic cotton growers by US

*394. SHRI MANOJ BHATTACHARYA:
SHRI N.K. PREMACHANDRAN:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the WTO appellate body has upheld a ruling disapproving the action of the Government of the USA providing huge export subsidies to the domestic cotton growers; and